

# House Study Bill 594

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED ATTORNEY  
GENERAL BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act creating the homeowners' consumer protection fund,  
2 providing for the assessment of a surcharge, and making an  
3 appropriation.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 5263DP 82  
6 rh/jp/8

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1 1 Section 1. NEW SECTION. 558.41A RECORDING MORTGAGE AND  
1 2 DEED OF TRUST == SURCHARGE.  
1 3 1. Except as provided in subsection 3, a surcharge of five  
1 4 dollars shall be collected by the county recorder at the time  
1 5 of recording a mortgage or deed of trust in addition to any  
1 6 other fees required by law.  
1 7 2. Moneys collected pursuant to this section shall be  
1 8 transferred monthly to the treasurer of state for deposit in  
1 9 the homeowners' consumer protection fund created in section  
1 10 714.16D except that the county recorder may retain up to one  
1 11 percent of the funds collected as necessary to administer  
1 12 collection of the surcharge pursuant to this section.  
1 13 3. The surcharge imposed pursuant to this section shall  
1 14 not apply to an assignment or substitution of a previously  
1 15 recorded mortgage or deed of trust.  
1 16 Sec. 2. NEW SECTION. 714.16D HOMEOWNERS' CONSUMER  
1 17 PROTECTION FUND == SURCHARGE.  
1 18 1. A homeowners' consumer protection fund is created as a  
1 19 separate fund in the state treasury to be administered by the  
1 20 attorney general for purposes of the investigation and  
1 21 prosecution of, and consumer education about, frauds relating  
1 22 to mortgage lending.  
1 23 2. The fund shall consist of moneys collected by the  
1 24 county recorder from the surcharge imposed pursuant to section  
1 25 558.41A, except to the extent that such moneys are permitted  
1 26 to be used for administration of the fund as specified in  
1 27 section 558.41A.  
1 28 3. Notwithstanding section 8.33, moneys credited to the  
1 29 fund from any source shall not revert to any other fund.  
1 30 Notwithstanding section 12C.7, interest or earnings on the  
1 31 moneys in the fund shall be credited to the fund. Moneys  
1 32 available in the fund for a fiscal year are appropriated to  
1 33 the department of justice to be used for the purposes of this  
1 34 section.

### EXPLANATION

2 1 This bill creates the homeowners' consumer protection fund,  
2 2 provides for the assessment of a surcharge, and makes an  
2 3 appropriation.  
2 4 The bill provides that a surcharge of \$5 shall be collected  
2 5 by the county recorder at the time of recording a mortgage or  
2 6 deed of trust in addition to any other fees required by law.  
2 7 Moneys collected shall be transferred monthly to the treasurer  
2 8 of state for deposit in the homeowners' consumer protection  
2 9 fund created in the bill except that the county recorder may  
2 10 retain up to 1 percent of the funds collected as necessary to  
2 11 administer collection of the surcharge. The surcharge shall  
2 12 not apply to an assignment or substitution of a previously  
2 13 recorded mortgage or deed of trust.  
2 14 The bill creates the homeowners' consumer protection fund  
2 15 as a separate fund in the state treasury to be administered by  
2 16 the attorney general for purposes of the investigation and  
2 17 prosecution of, and consumer education about, frauds relating  
2 18 to mortgage lending. The fund shall consist of moneys

2 19 collected by the county recorder from the surcharge imposed  
2 20 pursuant to the bill except to the extent that such moneys are  
2 21 permitted to be used for administration of the fund.  
2 22 Notwithstanding Code section 8.33, moneys credited to the  
2 23 fund from any source shall not revert to any other fund.  
2 24 Notwithstanding Code section 12C.7, interest or earnings on  
2 25 the moneys in the fund shall be credited to the fund. Moneys  
2 26 available in the fund for a fiscal year are appropriated to  
2 27 the department of justice to be used for the purposes of the  
2 28 fund.  
2 29 LSB 5263DP 82  
2 30 rh/jp/8.1